

CALENDAR ITEM

C49

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04/05/16

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PRC 3639.1

D. Simpkin

AUTHORIZATION OF SUBLEASE

LESSEE/SUBLESSOR:

Santa Catalina Island Company and Santa Catalina Island Conservancy

SUBLESSEE:

University of Southern California, on behalf of the Wrigley Institute for Environmental Studies

AREA, LAND TYPE, AND LOCATION:

335 acres, more or less, of sovereign land in Catalina Harbor, Santa Catalina Island, Los Angeles County.

AUTHORIZED USE:

Use and maintenance of 720 revenue producing moorings, 32 nonrevenue producing moorings, six revenue producing string lines, two finfish grow-out pens and a shellfish culture research facility.

LEASE TERM:

20 years beginning January 1, 2002

CONSIDERATION FOR REVENUE PRODUCING MOORINGS AND STRING LINES:

A minimum annual rent of \$324,800 payable in two equal installments of \$162,400 each due on or before March 1 and August 31 of each year of the lease against the following percentages of gross income:

Mooring Subleases and Overnight Stay Charges	25%
Towing, Mechanical Services, Boat and Mooring Repairs	4%
Diving Services	5%
All Other Revenue	10%

SUBLEASE TERM:

Beginning April 5, 2016, and ending concurrently with the lease on December 31, 2021.

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STAFF ANALYSIS AND RECOMMENDATION:

Statutory Authority:

Public Resources Code sections 6005, 6216, and 6301; California Code of Regulations, Title 2, section 2000, subdivision (b).

Public Trust and State's Best Interests Analysis:

The proposed sublease will allow University of Southern California (USC), on behalf of the Wrigley Institute for Environmental Studies, to complete life-cycle and multi-generational research on marine shellfish. Scientific study has been recognized by the courts to be consistent with the public trust doctrine and marine shellfish culture is a water-dependent use. The research facilities will occupy approximately 9,500 square feet of surface in the outer portion of Catalina Harbor. A 29-foot by 16.5-foot raft-like structure called a Floating Upwelling Nursery System (FLUPSY) will be anchored by two, one-ton concrete wedge anchors. The FLUPSY will help rear juvenile shellfish. Once reared, the shellfish will be placed in an array of 150 foot long-lines beneath the water. The proposed research facilities will be deployed west of the existing Hubbs Sea World Research Institute fish grow-out pens, all of which are located in outer Catalina Harbor away from existing moorings and vessel traffic.

The proposed sublease is for a little more than 5 years and terminates at the same time as the lease. No monetary rent is being charged for the sublease because of the public benefit provided by the research efforts. Commission staff believes the proposed sublease will not substantially interfere with public trust needs at Catalina Harbor, at this time, or for the foreseeable term of the proposed sublease. For all the reasons above, Commission staff believes the approval of a sublease is consistent with the common law public trust doctrine and in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. Lessees own the uplands adjoining the lease premises.
2. On November 26, 2001, the Commission authorized the issuance of Lease No. PRC 3639.1, a General Lease – Commercial Use to the Santa Catalina Island Company and the Santa Catalina Island Conservancy for the continued use and maintenance of 720 revenue producing moorings and six revenue producing string lines around Santa Catalina Island.
3. On February 21, 2014, the Commission authorized an amendment to the Lease authorizing the experimental stock enhancement facilities including two finfish grow-out pens and one future shellfish culture research facility. The shellfish culture research facility will be installed and operated by

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USC, on behalf of the Wrigley Institute for Environmental Studies. Although the Commission's February 21, 2014 authorization included the shellfish culture research facility, it did not authorize a sublease to USC. Staff is now recommending that the Commission authorize a sublease to USC for the installation and operation of the shellfish culture research facility.

4. The proposed action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation and responsible economic use of the lands and resources under the Commission's jurisdiction.
5. The California Coastal Commission (CCC) prepared an environmental document pursuant to its certified regulatory program (Cal. Code Regs., tit. 14, § 15251, subd. (c)), and granted Permit No. 9-14-0489 for this Project on December 9, 2015.

Staff has reviewed the document and determined that the conditions, as specified in the California Code of Regulations, Title 14, section 15253, subdivision (b), have been met for the Commission to use this document for its compliance with the California Environmental Quality Act (CEQA).

6. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that CCC Permit No. 9-14-0489 (the environmental document), prepared for this Project and adopted on December 9, 2015, by the CCC pursuant to its certified regulatory program (Cal. Code Regs., tit. 14, § 15251, subd. (c)), is a substitute document as provided by the California Code of Regulations, Title 14, section 15252, subdivision (a), and that the

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California State Lands Commission has reviewed and considered the information therein.

Find that the conditions described in the California Code of Regulations, Title 14, section 15253, subdivision (b), have been met for the California State Lands Commission, acting as a responsible agency, to use the environmental document to comply with the requirements of CEQA (Cal. Code Regs., tit. 14, § 15096).

Determine that the Project, as approved, will not have a significant effect on the environment.

SIGNIFICANT LANDS INVENTORY FINDING:

Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

AUTHORIZATION:

Authorize a sublease with the University of Southern California, on behalf of the Wrigley Institute for Environmental Studies, for a shellfish culture research facility on land in Catalina Harbor, Santa Catalina Island, as described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof, for the period from April 5, 2016, to December 31, 2021; consideration for the experimental stock enhancement facilities to be the public benefit with the State reserving the right at any time to set a monetary rent if the Commission finds such action to be in the State's best interests; all other terms and conditions of the lease will remain in effect without amendment.

EXHIBIT A

PRC 3639.1

LAND DESCRIPTION

Three parcels of tide and submerged land situate in the bed of the Pacific Ocean in Catalina Harbor of Santa Catalina Island, Los Angeles County, State of California, more particularly described as follows:

PARCEL 1 (HSWRI Pen)

BEGINNING at the point which bears South 61° 48' 11" West 1250.33 feet from the NGS monument Harbor 1933 having CCS27 Zone 6 coordinates of Northing (y) = 466341.40 feet, Easting (x) = 1311829.67 feet; thence from said point of beginning in a clockwise direction the following four courses:

1. South 56° 49' 45" West 200.00 feet;
2. North 33° 10' 15" West 300.00 feet;
3. North 56° 49' 45" East 200.00 feet;
4. South 33° 10' 15" East 200.00 feet to the POINT OF BEGINNING.

PARCEL 2 (CSF Pen, Summer Position)

BEGINNING at the point which bears North 69° 01' 39" West 722.60 feet from the NGS monument Harbor 1933 having CCS27 Zone 6 coordinates of Northing (y) = 466341.40 feet, Easting (x) = 1311829.67 feet; thence from said point of beginning in a clockwise direction the following four courses:

1. South 89° 39' 24" West 135.00 feet;
2. North 0° 20' 36" West 170.00 feet;
3. North 89° 39' 24" East 135.00 feet;
4. South 0° 20' 36" East 170.00 feet to the POINT OF BEGINNING.

PARCEL 3 (CSF Pen, Winter Position)

BEGINNING at the point which bears North $16^{\circ} 07' 20''$ West 790.35 feet from the NGS monument Harbor 1933 having CCS27 Zone 6 coordinates of Northing (y) = 466341.40 feet, Easting (x) = 1311829.67 feet; thence from said point of beginning in a clockwise direction the following four courses:

1. North $0^{\circ} 20' 36''$ West 170.00 feet;
2. North $89^{\circ} 39' 24''$ East 135.00 feet;
3. South $0^{\circ} 20' 36''$ East 170.00 feet;
4. South $89^{\circ} 39' 24''$ West 135.00 feet to the POINT OF BEGINNING.

This description is based on California Coordinate System of 1927, Zone 6.

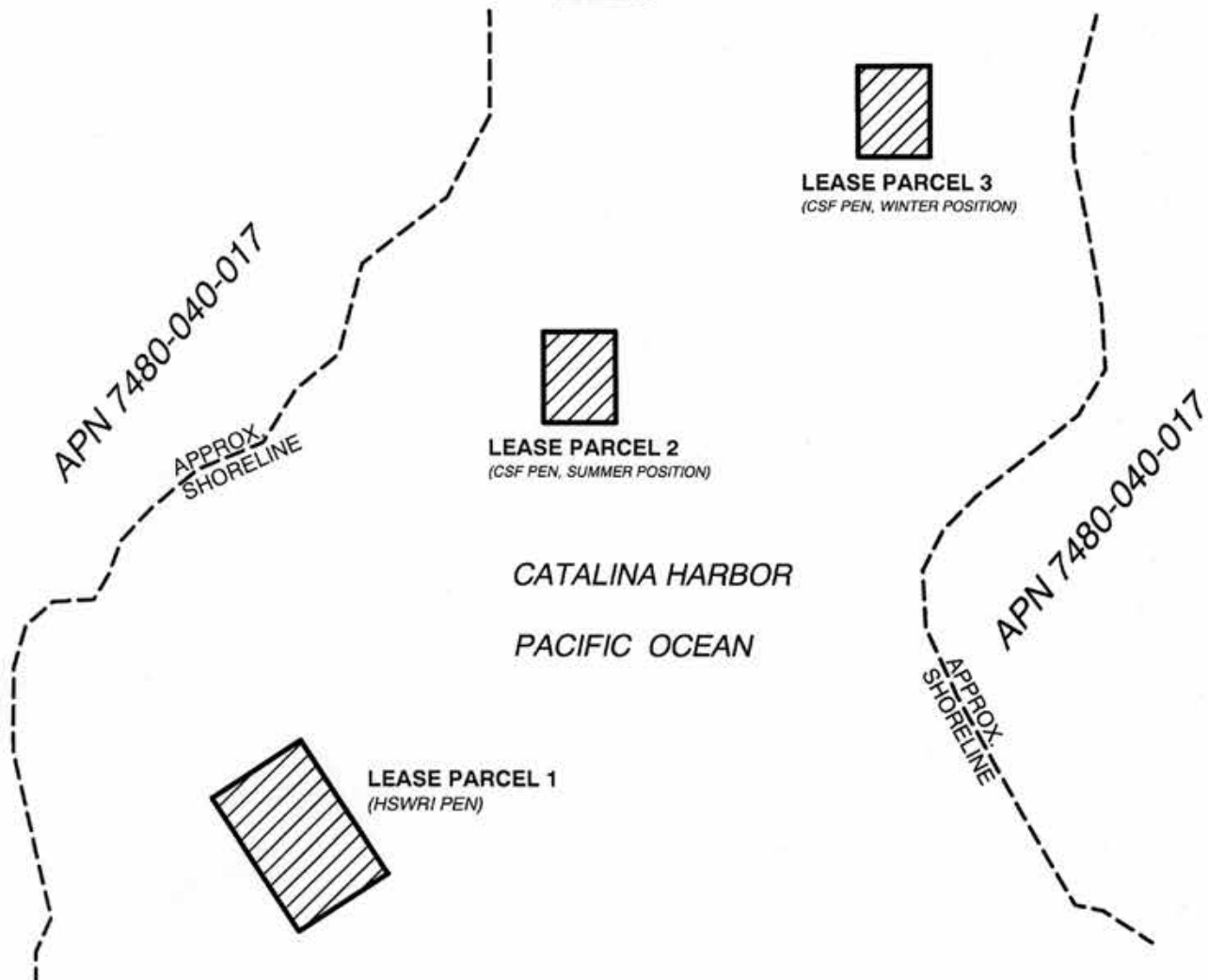
END OF DESCRIPTION

Prepared 03/03/16 by the California State Lands Commission Boundary Unit



NO SCALE

SITE



CATALINA HARBOR, NEAR BALLAST POINT

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

Exhibit B

PRC 3639.1
SANTA CATALINA
ISLAND COMPANY &
SANTA CATALINA ISLAND
CONSERVANCY
GENERAL LEASE -
COMMERCIAL USE
LOS ANGELES COUNTY



TS 03/03/16